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**Department of the
Premier and Cabinet**

Inquiry Secretary
Standing Committee on Communications
and the Arts
communications.reps@aph.gov.au

Dear

Thank you for your email of 3 December 2015 regarding the Inquiry into broadcasting, online content and live production to rural and regional Australia.

Attached is the Queensland Government's submission to the Inquiry.

The Queensland Government is strongly committed to ensuring that Queenslanders, regardless of where they live in the State, have access to relevant, high quality content delivered online, broadcast or live. With respect to the national broadcasters, the Queensland Government is concerned to ensure that Queensland experiences are reflected in programming available to people across the State and that Queensland product continues to be produced and distributed regionally, nationally and overseas.

As stated in the Queensland Government's response to the 2015 Senate Inquiry into the impact of the 2014 and 2015 Federal Government Budget decisions on the Arts, the Queensland Government is concerned that there is an equitable sharing of Federal Government funding across state and territory jurisdictions in proportion to population. We will maintain a watchful eye over the distribution of funding to Queensland artists and communities, whether that funding is distributed via the Australia Council for the Arts or the Ministry for the Arts' arts funding programs.

The Inquiry is an important opportunity to examine the importance of rural and regional communities' access to and participation in broadcasting, online content and live production. We will watch the outcomes with interest.

Yours sincerely

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Queensland Government submission:
***Senate Inquiry into broadcasting, online content and live production
to rural and regional Australia.***

The Queensland Government welcomes this opportunity to provide comment on the Senate Inquiry into broadcasting, online content and live production to rural and regional Australia (the Inquiry). In response to the broad scope of the Inquiry this submission highlights four key areas of interest including:

- the importance of digital infrastructure that enables equitable access to content and services for Queenslanders living in rural and remote locations
- the value that Queenslanders place on relevant and high quality cultural content whether broadcast, digital or live
- the importance of locally produced and distributed content
- the importance of equitably distributed federal funding to enable communities living in rural and regional Queensland to access and produce live productions.

Queensland is Australia's most decentralised mainland state, with approximately 55 per cent of the population living outside the capital city statistical division. In terms of population distribution, the Accessibility Remoteness Index of Australia (ARIA) indicates that Queensland has 82 per cent of its population living in major cities and inner regional locations.

This high level of regionalisation and diversity needs to be serviced and represented by our public broadcasters, digital infrastructure and funders of live production and touring.

Digital infrastructure

Queensland's sparseness and highly decentralised population presents significant challenges to the provision of digital infrastructure and related services such as broadcasting. These circumstances also present barriers to telecommunications carriers and internet service providers, unable to capture the economies of scale that are needed to support commercially viable infrastructure at competitive prices.

Inadequate and inconsistent access to broadband and mobile communications is an issue impacting on the isolation of communities and presents a significant divide between remote areas and the rest of Queensland.

The Queensland Government recognises the importance of world class digital infrastructure and reliable and quality services as fundamental enablers of social and economic development in the digital age. Ensuring that the State has world class digital infrastructure is fundamental to the Queensland Government achieving the Advance Queensland vision of forging the State's position and reputation in the knowledge economy to underpin our future prosperity and wellbeing.

The Queensland Government engages with the Federal Government, local governments, regional development organisations (i.e. Regional Development Australia) and the telecommunications industry across the state to identify changing telecommunications needs and gaps.

Telecommunications is the constitutional responsibility of the Federal Government. The Queensland Government's responsibility lies in the application of telecommunications services and associated digital technologies for economic and social development within the State and effective and efficient delivery of state government services.

The Queensland Government recently contributed \$10 million to support 68 site proposals under the Australian Government's Mobile Blackspots Program to improve mobile coverage in several rural and remote parts of Queensland.

The Queensland Government has also recently provided in-principle support for the Sunshine Coast Regional Council's submission to the Australian Communication and Media Authority for the declaration of a cable protection zone off shore from the Sunshine Coast. If successful, this project will enable more direct internet connectivity for Queensland (and Australia) by increasing bandwidth and decreasing latency for commercial and domestic use.

The quality of digital infrastructure in rural and regional Queensland is fundamental to enabling access to online content including content by the broadcasters.

Queenslanders value relevant, high quality cultural content

2014 research 'Arts in Daily Life' commissioned by Arts Queensland in partnership with the Australia Council Research found that Queenslanders place a high value on arts and culture both live and recorded, offline, on air and online. The research found that almost nine in 10 Queenslanders (85 per cent) agree that the arts make for a richer and more meaningful life and that receptive and creative participation levels are higher in Metropolitan Local Government Areas (82 per cent) and lower in Rural & Remote areas (71 per cent). The report also found that two in three Queenslanders (65 per cent) have engaged with the arts online in the past 12 months by watching or downloading art such as music, visual art, performances, or creative writing. Importantly, the research found little difference between Queenslanders' engagement with, and value of, the arts and that of other Australians.

The ABC and SBS have recognised the disruption to business models arising from media convergence and the need to adapt to changed distribution methods, rising consumer demand for greater choice, quality and convenience on screens (of various sizes) and radio. Both broadcasters make television and radio content available on demand through their digital channels and rural and regional Queenslanders can access content if the digital infrastructure is available where they live.

The Queensland Government is concerned that at the very time in which ABC, SBS and the Australia Council must respond with innovation to digital disruption and rising consumer demand, their federal funding has been significantly reduced. It is especially important that the Australia Council and the Ministry for the Arts support live production creators, suppliers and distributors to meet the challenges of enabling arts consumers' greater access and control over the content and products they receive, when and how they receive them.

Along with other Australians, Queenslanders place a high value on the services of the ABC, which states in its Annual Report 2015 that '84% of Australians believe the ABC provides a valuable service to the community' and that '78% are of the view that ABC provides quality programming (compared with 40% of adults who describe the quality of commercial television as 'good')'.

The ABC's regional offices and development of local content across Queensland, such as the October 2015 'On the Road' week in Toowoomba supports the identity and participation of regional communities. Furthermore, the ABC's Open program provides a platform for regional communities to profile their people, share their heritage, learn new skills and highlight their issues to a national and global audience. This is important given the slightly lower cultural engagement and participation levels of Queenslanders living in remote and regional locations.

It is important that consumers, particularly those who are located in remote and regional areas, are consulted about their content and services needs and interest so that public broadcasters in particular can respond accordingly. While ratings data is available to determine the consumption of existing content, publicly available big data that provides information about demand from different regions will help to inform content and service delivery of the four statutory authorities which central to the Inquiry.

Locally produced and distributed content

The Queensland Government invests in arts and cultural production and distribution in and around regional Queensland through Screen Queensland's programs, the Playing Queensland Fund for live arts touring, the Regional Arts Development Fund and other Arts Queensland mainstream funding programs. Local governments across rural and regional Queensland also invest in Queensland regions' access to arts and cultural production and consumption through funding and cultural infrastructure such as libraries, galleries and performing arts venues.

Funding and policy at the local level that is complemented by a Federal Government commitment to local access and production will support the growing trend for local engagement and production while helping to support access to global distribution networks. The development and distribution of content are not separate issues and increasingly need to be considered together at early investment stages for both screen and live production.

The Australian creative and knowledge economies must be more competitive internationally and create more jobs for Australian creatives. Central to this growth are the broadcasting, digital and creative industries, both subsidised and commercial, underlining the need for strong public production and distribution platforms. In the United Kingdom, the BBC has demonstrated the commercial success possible for a public broadcaster that can produce and distribute high quality and distinctive content.

There is great potential for the development of distinctly Queensland screen content that reflects Australian stories and appeals to regional audiences as well as overseas markets. For example, SBS with support from Screen Queensland recently produced and is now screening the highly acclaimed 'The Family Law' by Benjamin Law based on his experiences growing up on the Sunshine Coast in Queensland.

New entrants to distribution have created opportunities for producers creating content for broadcast or cinema to sell their work in a second window to streaming services which increases their opportunities to sell work locally and internationally. For audiences, streaming services allow more choice regarding content to watch at home which decreases competition between cinema and streaming services and has led to a resurgence of cinema attendance in Australia.

Unlike the traditional networks in Australia, streaming services are not bound by codes of conduct and practice, including quotas for Australian-made content. Overheads are lower for streaming services, with many of them choosing not to have local offices in the countries in which they operate. The response of many traditional networks has been to create their own streaming services and this has led to benefits for audiences and opportunities for content makers.

Licence fees paid by streaming services tend to be lower than those paid by traditional broadcasters which may present challenges for budgets. Furthermore, financing models and types of content are different between streaming services and traditional broadcasters. This presents both opportunities and challenges for local content makers.

Screen Queensland has two programs specifically aimed at generating content for streaming services:

- Queensland Originals: Fully Funded Features is a partnership with Stan. to develop (four) and produce (one) feature film both for cinema release and the streaming service. This was launched in 2015, with a budget of c.\$900,000
- SQ is part of a Queensland Government partnership with YouTube and specifically has allocated \$150,000 in year one (with an option to fund at a similar level for two more years) to support the creation of content for existing YouTube channels.

Screen Queensland announced in 2015 that its core funding programs (development investment and production investment) would be platform neutral, allowing applications from content makers aiming at both traditional broadcasters and streaming services.

The Innovation Fund, again launched in 2015, targets projects finding new platforms and approaches to storytelling (that go beyond the 'new' distributors/streaming services).

Screen Queensland has delivered several events for producers sharing information and best practice on working within the new distribution landscape.

Equitable distribution of resources

The Queensland Government is committed to growing the State's economy for the benefit of all. The Working Queensland initiative is a \$1.6 billion package that will help boost the confidence of business to create jobs, increase the productivity of our labour force through skills development, foster emerging and innovative industries and support investment in productive infrastructure. A key focus of Working Queensland is growing Queensland's regions which will require a combination of approaches to improve employment outcomes.

Live production provides both economic and social benefits to rural and regional areas through employment opportunities and potential growth of regional and rural jobs. The viability of regional broadcasting stations also provide for strengthening a region's workforce capacity through increased capabilities in digital, media and technology skill sets.

Far North Queensland and the city of Cairns are increasingly becoming centres for international arts, business and sporting events which will require significant broadcasting and live production capabilities in the region.

The Australia Council and the Ministry for the Arts must complement the effort of the Queensland State Government and local governments to enable regional and rural Queenslanders to provide and access content and services. Challenges facing the arts and cultural sector include improving consumers' and audiences' online access to collections and performances, ensuring that broadcasters are adequately covering the diversity of products and contexts in which arts and culture occur in Australia, ensuring that arts and cultural funding is fairly distributed and that consumers living outside of capital cities have good access to resources to support their own local cultural development.